



# Consumer Guide to Auto Insurance



# **Consumer's Guide to Auto Insurance**

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## **Introduction**

This guide was produced by the Maryland Insurance Administration, an independent State agency that regulates Maryland's insurance industry and protects consumers by ensuring that insurers and health plans act in accordance with insurance laws.

The Insurance Administration also is responsible for investigating and resolving complaints and questions concerning insurance companies operating in Maryland.

## **How to Shop for Auto Insurance**

Comparison shopping is the key to getting the most for your insurance dollar. Consumers think nothing of price shopping for televisions, radios or appliances to save \$20 or \$30, but forget to shop around for auto insurance where hundreds of dollars can be saved. There are more than 200 auto insurance companies licensed in the State, so there are plenty of places to shop.

**The best time to shop for insurance is before you purchase a car, trade autos, add drivers or when your policy is up for renewal.**

Here are some basic tips to follow when shopping for insurance:

**Before buying a car, determine your insurance costs.** This is the first cost-savings step in purchasing auto insurance. When you are shopping around for a new or used car, factor in the insurance costs as well. High-performance vehicles usually come with higher insurance costs.

**Know what insurance coverage you are buying.** Before you begin calling to request price quotes, first familiarize yourself with the insurance coverage you are buying. It is important to know which coverages Maryland law requires, as well as the other options that are available (*Refer to other sections of this booklet for more information*).

**Seek additional information.** There are many resources available that provide information about insurance. In addition to referring to the Maryland Insurance Administration's auto insurance rate guide, you also may seek information from consumer groups, consumer publications (i.e. Consumer Reports) and the Internet.

**Do comparison shopping.**

- Contact several insurance companies or contact an agent/agency or broker\*. Agents/agencies have contractual arrangements with insurance companies to sell insurance on the insurance companies' behalf. Brokers do not have such arrangements, but work with agents to locate or "broker" insurance on the consumer's behalf. In either instance, your insurance policy is with the company itself and not the agent/agency or broker. Companies, agents, agencies and brokers are listed in the Yellow Pages or may be found in newspaper ads.
- Ask your relatives and friends for recommendations regarding where to purchase auto insurance. In addition, some banks, employers and special interest groups offer insurance directly to their members.
- The Internet also is a good resource for insurance information. Many insurance companies have web sites and/or work with non-affiliated quoting vendors that quote insurance premiums on-line.

*\*Since 2001, individuals and entities that sell, solicit or negotiate insurance contracts are referred to as **producers**.*

**Ask for price quotes.** In order to make an “apples-to-apples” price comparison, you must provide the same information to each company/agent. The following information is normally requested: make/model/year of vehicle, average annual miles, region in which you live, coverages and limits desired and driving record (accidents or violations). This information is required to provide you an accurate quote. (*Refer to the Maryland Insurance Administration “Auto Insurance Rate Comparison Guide” for sample rates.*)

**Ask about deductibles.** A deductible is the amount you agree to be responsible for in the event of damage to your vehicle (i.e. accident, fire or vandalism). If you select a high deductible, you will pay more out-of-pocket for any damage; however, your insurance premium should be lower.

**Ask for Discounts.** Again, to help keep rates down, ask what discounts the company offers. Make sure that you have provided all information that may result in receiving a discounted premium (e.g. security devices, safety devices, good driving record, defensive driving courses, etc.). (see pages 10 and 11 for additional information.)

**Protect yourself from insurance fraud.** Once you have selected an insurance company, contact the Maryland Insurance Administration to verify that the company is licensed to sell insurance in the State. It is illegal for unlicensed companies to sell insurance. If you opt to use an agent, also verify that the agent is licensed.

### **Financing Insurance**

Not everyone can afford to pay their insurance premiums upfront; therefore, many insurance companies offer installment plans. In addition, your premium may be financed by a premium finance company, which is licensed by the Maryland Insurance Administration to finance premiums in exchange for the consumer’s agreement to pay interest and service fees.

Whether you choose an installment plan or to finance your premium, be certain to ask the following questions before buying the policy:

- How much is the downpayment?
- How much are the monthly payments?
- How many months will payments be made (i.e. six or 12 months)?
- How much is the total payment over the period of the policy?
- Is a premium finance company financing the payment?
- What is the interest rate on the premium payments (if the payments are financed)?
- Does the insurance company offer an installment plan? Is there an installment charge or service fee?

**Other considerations.** Price is an important factor in selecting an auto insurance company; however, there are other factors some consumers may wish to consider. Some consumers may wish to deal with an agent that has an office near their home or with a company that has a claims office nearby. Customer service is another important consideration.

Also, consumers may want to know how long the company or agent has been operating in Maryland, how quickly claims are processed and the number of complaints against the company or agent. Some of this information may be obtained directly from the insurance company or agent. Consumers may contact the Insurance Administration to obtain some complaint information.

## **What Factors Impact Rates?**

When you apply for auto insurance, companies evaluate the likelihood that you will file a claim. This is referred to as “underwriting” a risk. Typical guidelines that a standard insurance company would consider before “underwriting” (or selling) an auto insurance policy include:

- Possession of a valid Maryland driver’s license and/or verifiable driving record.
- Three years driving experience.
- No more than two minor moving violations over the past three years.
- No more than one “at-fault” accident over the past three years.
- Non-commercial use of your vehicle (i.e. not used for deliveries or transportation services).
- No drivers of your vehicle under age 21, unless covered under a family policy.
- No cancellations or nonrenewals by a previous insurance company.
- No lapse in prior auto insurance coverage.
- No negative reports on your credit history (please refer to page 9).
- Stable residential address and work history.
- No drivers in your household whose licenses have been suspended or revoked.

Once your level of risk has been determined, the company will group you with other applicants and policyholders with similar risk characteristics. Therefore, the rates you pay depend in part on your risk group.

Insurance companies/agents will ask several questions when determining your level of risk or rate. The most common questions will be regarding your:

**Driving record.** Insurers will ask about accidents or traffic violations over the past three years. If your driving record is less than perfect, then you will be considered a higher risk and will pay a higher premium. Insurance companies are prohibited from asking about accidents or traffic violations older than three years.

**Geographic area.** The number of claims filed by policyholders in your geographic area also will affect the rates charged by insurance companies. Counties or zip codes are commonly used geographic areas.

**Gender and age.** Statistics used by insurance companies show that males and young adults have a higher incidence of accidents; therefore, your gender and age will impact your rate. Rates generally decrease at age 25 and may increase as you approach age 50 or 55.

**Marital Status.** Statistics used by insurance companies show that married individuals have a lower incidence of accidents and claims. Therefore, married individuals generally pay lower premiums than single people.

**Prior insurance coverage.** Most insurers will ask about your insurance history, including whether or not you currently have coverage or if you have ever been cancelled or nonrenewed. Some insurers require individuals to pay higher premiums if there has been any lapse in insurance coverage. However, insurers are prohibited by law from denying insurance because an applicant previously was insured by the Maryland Automobile Insurance Fund.



**Annual mileage.** Insurers also will calculate your premium based on the average distance you drive on an annual basis. If your annual mileage is high, then insurers will consider you a greater risk and will charge you a higher premium.

**Make and model of car.** Premiums also are based on your car's make, model and value. Statistics used by insurance companies show that certain makes and models of cars – when involved in accidents – cause greater levels of bodily injury; sustain greater levels of damage; and, are more difficult and costly to repair. Companies charge a higher premium to insure a vehicle that displays such characteristics.

**Credit history.** Some insurers will review an individual's credit history when determining their premium. For instance, bankruptcies, late payments and number of credit cards may result in a higher premium. However, there are specific guidelines that insurance companies must follow when using a consumer's credit history to underwrite or rate an automobile insurance policy.

Those guidelines state that an insurer may not:

- Increase a renewal premium based on the credit history of the insured.
- Apply a surcharge of more than 40% based on credit history.
- Use the following factors to rate a policy: the absence of or inability to obtain credit history, the number of credit inquiries, or any factor that is more than 5 years old.

Additionally, consumers have the right to request that their insurer recheck their credit history once per policy period which may result in a reduction in renewal premium if the insured's credit history has improved.

## **What Discounts are Available?**

Obtaining discounts is one of the ways to keep your insurance costs down. It is important to be aware of these discounts before purchasing auto insurance. Not all companies, however, offer the same discounts. Some of the most common discounts include:

**Good driving record.** Most insurers offer discounts to drivers who have not had an accident and/or violations for a specific time period (normally three or more years). Insurance companies, however, are prohibited from considering violations older than three years.

**Safety devices.** Discounts frequently are offered for devices that limit bodily injury or property damage caused by accidents. Such devices include anti-lock brakes, automatic safety belts and air bags.

**Anti-theft devices.** Car alarms and other theft-deterrent devices also may reduce your rates.

**Multiple policies.** Although an insurance company cannot require you to buy a homeowners' insurance policy with an auto insurance policy, some companies may offer a discount to policyholders that purchase auto and homeowners' policies from that company. In addition, insurers also may offer discounts if you have more than one vehicle insured with the company.

**Good student.** Statistical data compiled by insurance companies indicates that students who maintain a 'B' average or better are less likely to receive speeding violations or be involved in accidents. Therefore, many insurers offer discounts to good students.

**Driver Education Courses.** Discounts for driver education courses often are offered to younger and older drivers.

**Renewal Discount.** Insurance companies may offer discounts if you have maintained continuous coverage with that company for a number of years.

**Memberships or employment discounts.** Companies may offer discounts to members of certain organizations (e.g. credit unions, shopper's clubs or alumni associations), or you may be able to receive a discount through your employer (e.g. state employee, military or teacher).

#### **Options for High-Risk Drivers**

If you have speeding tickets, accidents or other violations, some auto insurance companies will consider you a high-risk driver and may not sell you an insurance policy. Auto insurance coverage, however, is required under Maryland law. A high-risk driver does have options. Some insurance companies and independent agents specialize in finding insurance companies that will accept high-risk drivers.

Alternatively, Maryland residents who have not been able to obtain automobile liability coverage may seek coverage with the Maryland Automobile Insurance Fund (MAIF). For additional information, please call 1-800-492-7120, or visit the MAIF web site at [www.maif.state.md.us](http://www.maif.state.md.us)

## **Basic overview of coverage**

Auto insurance coverage may include several types of protection; however, State law requires all registered vehicle owners to purchase certain minimum protections or coverage levels. Many drivers purchase more than the minimum requirements to protect themselves from high repair bills, medical expenses and lawsuits. Consumers who opt to purchase coverage above the State's minimum requirements, however, will pay higher premiums.

### **Liability Insurance**

Liability insurance protects policyholders when they have caused an accident. There are two types of liability coverage that are required by State law: bodily injury liability coverage and property damage liability coverage.

The **minimum amount of liability coverage** required by State law is:  
**\$20,000** for bodily injury per person;  
**\$40,000** bodily injury per accident; and  
**\$15,000** property damage

### ***Bodily Injury Liability Insurance***

If you cause an accident and an injured person makes a claim or files a lawsuit against you, bodily injury coverage will:

- Pay for a lawyer to defend you if you are sued;
- Pay what you are ordered to pay as a result of a lawsuit; or,
- Pay to settle the claim out-of-court.

In other words, if the claim against you is covered by bodily injury insurance, then – up to the dollar limits of the coverage that you purchased – your personal assets (i.e. savings, investments) will not have to pay for claims or lawsuits filed by any injured person.

### ***Property Damage Liability Insurance:***

If you cause an accident that damages someone's property (such as their car) and the property owner makes a claim or files a lawsuit against you, property damage liability coverage will:

- Pay for a lawyer to defend you in the event you are sued;
- Pay monetary judgements against you in a lawsuit; or,
- Pay to settle the claim out-of-court.

In other words, if the claim against you is covered by property damage liability insurance, then – up to the specified dollar amount of the coverage that you purchased – you will not have to use your personal assets to pay claims or lawsuits filed by the property owner(s).

Other people, such as family members, also may be covered under your insurance policy's bodily injury or property damage coverage if they are listed on the policy as drivers; if they are driving your car for an occasional purpose with your consent; and, if they are not otherwise excluded by your policy's terms.

If you are unsure whether a potential driver would be covered under your policy, read the terms of your policy or call your insurance agent before you let that person drive the car.

***Note:** While State law establishes the minimum level of liability coverage, consumers who can afford higher premiums choose to purchase more coverage. Higher levels are purchased to protect consumers from expensive repair bills, medical bills and lawsuits.*

### **Uninsured/Underinsured Motorist coverage**

Uninsured motorist coverage will protect you if a hit-and-run driver or someone driving without insurance causes damage to your property or injures you or your passenger(s).

For example, this coverage will pay for repairs to your property,

The **minimum amount of uninsured/underinsured coverage** required by State law is:  
**\$20,000** for bodily injury per person;  
**\$40,000** bodily injury per accident; and  
**\$15,000** property damage

as well as your and your injured passenger's medical expenses, lost wages, pain and suffering.

Underinsured motorist coverage, which protects you when another driver causes an accident but does not have enough insurance to pay your claims, provides the same protection.

### **Personal Injury Protection (PIP)**

Up to the specified dollar amount of your coverage, PIP coverage will reimburse you (or others named on your policy) for reasonable and necessary medical expenses resulting from an auto accident. PIP coverage also will reimburse your (or others named on your policy) lost wages associated with an auto accident. This reimbursement will be made regardless of who caused the accident.

Maryland law requires consumers to purchase **\$2,500 in Personal Injury Protection (PIP)** for each person named in the policy. However, PIP coverage may be waived.

PIP coverage can be denied if claims are not properly and timely filed with your insurance company. Therefore, it is important to contact your insurance company or agent immediately after an accident has occurred and request PIP forms be sent to you.

Because PIP coverage may duplicate an individual's health care coverage, some consumers opt to waive PIP if they feel they have adequate health care coverage and/or can afford to pay for medical treatment. Although waiving PIP may result in lower premium, consumers should keep in mind that PIP also pays lost wages and your household members' medical expenses, which are not covered under health care policies.

## **What Other Coverages Are Available?**

Physical damage coverage, also referred to as comprehensive and collision coverage, is the most commonly recognized coverage as it protects you from expenses related to damage to or loss of your vehicle (e.g. accidents that you cause, theft or vandalism).

Although Maryland law does not require you to purchase physical damage coverage, often banks and other financial institutions that lend you money to purchase your car do require you to purchase both collision and comprehensive coverage.

***Collision Coverage*** will pay to repair your vehicle or will pay you what your vehicle was worth right before an accident occurred (if your company determines the car is totalled). Collision coverage is applicable regardless of who caused the accident.

Because collision coverage is usually the most expensive component of your auto insurance premium, many people may choose to purchase collision coverage with a high deductible.

Generally, your premium decreases as the amount of the deductible increases. For example, if you hit a pole and the resulting damage to your vehicle is \$1,200 and your deductible is \$500, then the insurance company will pay \$700 to the body shop and you will pay the remaining \$500. On the other hand, if you purchased collision coverage with a lower deductible or no deductible, then you would pay less towards the repair costs, but you would pay a higher premium.

***Comprehensive Coverage*** (also known as “Other Than Collision”) will pay for damage to your car resulting from causes other than an accident, such as vandalism or theft. As with collision coverage, choosing a higher deductible will lower your insurance cost.

## **Additional or Supplemental Coverage**

Additional coverages are available that can supplement your insurance policy.

***Medical Payments Coverage*** pays for medical expenses and related costs for you or others injured or killed while riding in your vehicle. These claims may include rehabilitative, surgical, chiropractic, x-ray, dental, prosthetic, professional nursing and funeral expenses. In addition, this coverage typically will cover you or members of your family if hit by a vehicle while walking or riding in another vehicle.

Most policies require that the amount you purchased under your PIP coverage be used in full before payments will be made under medical payments coverage.

Medical payments coverage is different from PIP coverage in that medical payments coverage will only pay your medical expenses. Consumers with health care coverage should consult their policy to ensure they are not duplicating coverage. Please see page 14 for further explanation of PIP coverage.

***Rental Reimbursement Coverage*** will pay for a rental vehicle while your vehicle is being repaired after an accident or a loss specifically protected under your comprehensive coverage. The coverage, however, pays a specified daily rate for a specified number of days.

***Transportation Expense Coverage*** will cover additional transportation costs – such as car rental, bus fare, etc. – while your vehicle is being repaired after an accident or a loss specifically protected under your comprehensive coverage.

***Towing and Labor Coverage*** will pay to tow your vehicle to a repair shop after an accident or a breakdown. However, members of auto clubs, such as AAA, already may have similar coverage.



***Mechanical Breakdown Coverage*** will pay to repair your vehicle after a mechanical breakdown (e.g. engine failure). New car buyers are advised that mechanical breakdown coverage may be less expensive than purchasing an extended warranty through an auto dealer. Insurance companies offer this coverage either directly or as a separate policy.

## **Commonly Asked Questions**

### **Policy-Related Questions**

#### **My car is several years old and has been paid off. Is physical damage coverage still useful?**

The answer depends on whether or not you could afford to repair or replace your vehicle if it was damaged in an accident that you caused. It may be helpful to check your vehicle's value by referring to used car listings in the newspaper or on the Internet for vehicles similar to yours and compare this value with your annual collision coverage cost.

#### **What is the difference between a nonrenewal and a cancellation?**

Insurance policies are issued for a specific term or period of time. Companies will issue either a six or 12 month policy. Nonrenewal occurs when an insurer terminates your insurance coverage at the end of the policy's term. Cancellation occurs when an insurer terminates your coverage before the policy's term ends.

#### **Can my insurance company lawfully cancel or nonrenew my policy for accidents or violations?**

Yes, but only under the following conditions:

If within the past three years, you:

- Filed more than two claims where you were not responsible or "not-at-fault" (e.g. theft, windshield damage or a Personal Injury Protection claim);

- Filed more than one claim for an accident that you caused or were “at-fault”;
- Filed any combination of three or more at-fault accident claims or violations;
- Were convicted of driving while intoxicated or impaired by drugs;
- Were convicted of homicide, assault, reckless endangerment or criminal negligence arising out of the operation of your vehicle; or
- Were convicted of using a motor vehicle to participate in a felony act.

If within the past two years, you:

- Have had your license revoked or suspended for a driving-related violation; or
- Have had three or more moving violations.

Insurance companies are required to file with the Maryland Insurance Administration a specific charge (or rate) for specific violations, accidents and other risk characteristics. If the company has not filed such information, then it is prohibited from canceling or nonrenewing your policy. Consumers may contact the Insurance Administration at 1-800-492-6116 for additional information.

### **Can my insurance company nonrenew my policy because of accidents that were not my fault?**

A company may cancel or nonrenew a policy if you filed three or more “not-at-fault” claims within a three-year period.

Comprehensive and uninsured/underinsured motorist coverages are considered “not-at-fault” claims. However, Personal Injury Protection claims can either be “at-fault” or “not-at-fault” depending on the facts surrounding the particular claim.

**Can my insurance company cancel or nonrenew my policy if I gave inaccurate information on my application?**

Yes. Your company may lawfully cancel or nonrenew your policy if you misrepresent certain information about yourself, such as your address, driving record or accident history.

**Can my insurance company cancel my policy for late payment?**

Yes. Your company can cancel you for nonpayment of a premium, even if the payment is just one day late. However, some insurers have guidelines for late payment and may reinstate you when the payment has been made, but this is not a legal requirement. The best practice is to pay your premiums before the due date to avoid being cancelled.

**My insurance company did not renew or cancelled my policy, but I did not receive prior notification. Is this legal?**

As required by law, your insurance company must give you 45-days notice prior to canceling or nonrenewing your policy for all reasons other than nonpayment. Most insurance policies require 10-days notice of cancellation or non-renewal for nonpayment; however, this requirement would be specified in your policy. In addition, your company must be able to prove that it mailed a notice to you at your last known address.

**Will I receive a notice after my policy has been cancelled or nonrenewed?**

No. Insurance companies are not required to send an additional notice after your coverage has expired. The company is only required to send a notice prior to taking this action.

**What happens if there is a lapse in my coverage? Will I have to pay a penalty?**

State law requires that Maryland vehicle owners purchase the minimum coverage for liability, personal injury and uninsured motorist protection. State law also requires insurance companies

to report to the Maryland Motor Vehicle Administration (MVA) when a policy has been cancelled or nonrenewed.

The MVA conducts a random sample of registered vehicles to ensure that vehicle owners have purchased the minimum required insurance coverage. If the MVA can not verify coverage, it will request that the vehicle owner provide a Financial Responsibility Filing (FR-19) to show adequate coverage has been in place since the vehicle was purchased. Insurers are required to provide FR-19 forms free-of-charge, without question, to all policyholders.

If no coverage exists, the MVA will fine the vehicle owner for each day of lapsed coverage.

**Is there a difference between the Maryland Motor Vehicle Administration's (MVA) and an insurance company's "points system"?**

Yes. The MVA tracks points assigned to your driving record for any violations of vehicle laws (e.g. speeding tickets or accidents). This point system is used to determine if you are eligible for a Maryland driver's license.

On the other hand, insurance companies assign points based on the company's individual underwriting (or selling) guidelines, which is not necessarily consistent with the MVA's point system. Insurers assign points to a driver's rating category for moving violations and accidents. The total points for all drivers in a particular rating category will determine your policy's surcharge, or percentage increase, which will be added to your premium.

## **Claims-Related Questions**

What should I do after an accident or when I have to file a claim (i.e. vandalism or theft)?

- **Dial 911.** Give the operator detailed information about the incident, including if you or others involved need medical assistance.
- **Remove your vehicle from the roadway, if possible.**
- **Take notes.** Write down the location and time of the accident/incident and any other details (e.g. summary of what happened). Exchange insurance information with others involved in the accident. Write down the make, model and license plate number of the other vehicles involved. If possible, take pictures or draw a diagram of the scene.
- **Talk to witnesses.** Obtain names, addresses and phone numbers of those who witnessed the incident/accident.
- **Cooperate with the police.** Provide all information that is requested of you. Be sure to write down your incident/accident number and the officer's name and badge number. (Note: Baltimore City Police are not required to arrive at the scene of accidents that do not involve injuries or excessive damage.)
- **Contact your insurance company/agent as soon as possible.** Ask your company what documents are needed to support your claim. Provide all information that is needed. Keep records of all paperwork related to your claim (e.g. copy of accident report, notes from accident scene, expenses, etc.)

**What if my insurance company determines that my car is a “total loss”?**

Insurance companies will determine that your car is totaled if the cost of the damage approaches or exceeds the car’s worth. Companies will determine your vehicle’s fair market value before the accident occurred. Insurance companies typically refer to the National Auto Dealers Association (NADA) Official Used Car Guide, Kelley Blue Book or Certified Collateral Corporation (CCC) to determine your car’s value.

**What if I disagree with my company’s decision to total my vehicle?**

It is important to remember that when you purchase insurance you sign a contract and are bound to its terms. However, you do have options available if you do not agree with the value given to your totaled vehicle.

Ask your insurance company how it arrived at its decision. It is best that you put this request in writing and ask for a written response from the insurance company. Make sure that the company has all the necessary information.

First, review your vehicle’s maintenance records and look for any upgrades or new items. For example, had new tires recently been purchased? Had you recently installed a new CD player and stereo? It also will help if you can show the insurance company that your vehicle had been well maintained and serviced throughout your years of ownership.

Second, refer to your local newspaper’s classified section. Try to find advertisements for vehicles similar in year, make, model and condition. If the classified ads mostly reflect higher prices than the amount offered by your insurer, then your insurer must explain the basis for its offer.

Third, many policies provide you the option of hiring an independent adjuster to evaluate your loss and then, along with the insurance company's adjuster, select a person to referee the dispute. Independent adjusters are listed in the Yellow Pages. Because you must pay the independent adjuster's fee, this last option can be costly.

**Can my company repair my vehicle with used parts?**

The answer depends on the terms of your policy. In most instances, the answer is "yes". Your company can have your vehicle repaired with parts of like kind and quality, which includes used parts.

**Do I have the right to choose whether to repair, replace or receive payment for my damaged vehicle?**

This also depends on the terms of your policy. However, in most instances, your company has the right to make this decision, and this will be stated in your policy.

**Do I have to use a specific repair shop?**

No. Maryland law prohibits an insurance company from requiring that a certain shop be used or from recommending a particular shop without notifying the policyholder that their vehicle may be repaired by the auto shop of their choice. However, your insurance company only will pay the amount of damage it already has determined for your vehicle, which is based on estimated parts and labor expenses.

## **How to File a Complaint**

The Maryland Insurance Administration's primary role is to protect consumers from illegal insurance practices by ensuring that insurance companies, agents and brokers operating in Maryland act in accordance with State insurance laws. Consumers may contact the Insurance Administration to file a complaint against an insurance company, agent or broker.

Maryland's insurance laws not only govern insurance companies' conduct — they also protect Maryland consumers. Insurance companies are prohibited from settling claims in an arbitrary and capricious manner. This means that insurance companies' claim settlement practices must be fair, nondiscriminatory and adhere to insurance laws.

If you feel that your insurance company has acted improperly, you have the right to take action by filing a complaint with the Maryland Insurance Administration. However, some disputes may be governed by your policy's terms and may not be a problem the Insurance Administration can resolve for you.

Complaints must be received in writing. Please provide as much detail as possible, including copies of pertinent documents. A trained, professional investigator will handle your complaint. The investigator will contact the company/agent/broker to try to resolve the issue. Meanwhile you will be advised of the steps being taken on your behalf. Complaint files are not closed until the Insurance Administration has made a determination regarding the complaint.



For additional information or if you have a complaint, please contact the Maryland Insurance Administration's Consumer Complaint Investigation Division at 410-468-2000 or toll-free at 1-800-492-6116 (1-800-735-2258 TTY). Consumers also may file their written complaint online or by mail at:

**[www.mdinsurance.state.md.us](http://www.mdinsurance.state.md.us)**

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**Note:** This publication was produced to help consumers better understand auto insurance. This publication, however, should not be considered a substitute for consumers reading and familiarizing themselves with their auto insurance policy.

Automobile insurance policies are contracts with many different parts and terms. As each consumer's needs are different and few auto insurance policies are alike, many consumers benefit from the advice of a knowledgeable insurance agent. Other consumers, however, are comfortable dealing directly with an insurance company's customer service representative, who can answer questions and provide advice.

This consumer's guide should be used for educational purposes only. It is not intended to provide legal advice or opinions regarding coverage under a specific insurance policy or contract; nor should it be construed as an endorsement of any product, service, person, or organization mentioned in this guide.

**This document is available in an alternative format upon request from a qualified individual with a disability.**



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